

Message

From: Minter, Douglas [Minter.Douglas@epa.gov]
Sent: 8/12/2016 11:22:52 AM
To: Bahrman, Sarah [Bahrman.Sarah@epa.gov]
CC: Shea, Valois [Shea.Valois@epa.gov]
Subject: FW: Powertech DB article

fyi

From: Chin, Lucita
Sent: Wednesday, August 10, 2016 7:11 AM
To: Shea, Valois <Shea.Valois@epa.gov>; Minter, Douglas <Minter.Douglas@epa.gov>; O'Connor, Darcy <oconnor.darcy@epa.gov>; Figur, Charles <Figur.Charles@epa.gov>; Boydston, Michael <Boydston.Michael@epa.gov>
Subject: Powertech DB article

http://rapidcityjournal.com/news/local/communities/hot-springs/powertech-wants-liability-release-on-uranium-bore-holes/article_ee8ff37c-5d7b-11e6-b824-df31c9cf4746.html

County to comment on this to DENR

HOT SPRINGS – Powertech, Inc., a subsidiary of Azarga Uranium Corp., the uranium mining company that has been working to develop in-situ uranium mining in Edgemont since 2006, wants to be released from liability for more than 90 plugged bore holes spread across the Dewey-Burdock uranium mining area in northwestern Fall River and southwestern Custer counties.

Powertech asked the state Department of Environment and Natural Resources's (DENR) Board of Minerals and Environment (BME) to be released from liability on these holes because the company believes they have met their obligations to remediate the sites as required by state law. And DENR appears to agree.

On July 22, DENR notified Fall River County's commissioners that it was soliciting their comments on doing exactly this, after DENR inspectors had cleared Powertech on the sites associated with Permit No. EXNI-404. This permit covers 90-plus bore holes located in Sections 1, 3, 5, 10-12 and 15, T7S-R1E of Fall River County and Sections 21, 27 – 29, 32-34, and T6S-R1-E of Custer County. Powertech was obligated by the state to grade, fill in, reseed and return these bore holes to something resembling their original appearance.

Fall River County commissioners were not in favor of releasing Powertech any liability until they understand more about what's involved in this, the commissioners agreed during their Tuesday, Aug. 2 regular meeting.

After receiving the letter, Commissioner Mike Ortner said he talked to Eric Holm, Natural Resources Engineer with DENR and the author of the letter.

Ortner said he was told the counties had 30 days to respond with their thoughts about this, and that this would be followed by a 30-day period open to public comment about releasing the company from liability as well.

However, Holm, on Thursday afternoon, Aug. 4, said the public comment period was not necessarily a sure thing. Holm said DENR would do an advertisement with a public notice of what was intended, but that DENR was still evaluating releasing Powertech from liability for remediating the drill holes. Holm also anticipated some sort of response from DENR on the request by September or October, but he didn't know if this would for sure happen, either.

Holm said said DENR received a Powertech request to be released from liability on these boreholes.

Ortner said Holm told him that Powertech asked to be released from liability on the bore holes mentioned in the letter on two previous occasions:

In 2013 the company made its first request to the state. However, state inspection revealed that some of the holes were not properly remediated, and DENR requested that Powertech re-do the holes that didn't meet DENR's specifications and re-seed these areas with grass.

Holm, last Thursday, claimed this took place in 2010, not 2013.

A second request was made in May of 2016 and DENR inspectors found two holes that had settled, so Powertech was asked to re-do these holes, according to Ortner.

Holm said the final decision to release Powertech from liability would be made by BME.

Word of the commissioners considering this brought several anti-uranium people to the meeting.

Ed Harvey wondered specifically what liability Powertech was asking to be released from. Ortner said he was told the request was to be released from a surety bond that Powertech was required to put out by the state to cover the costs of remediation in the event the company failed.

“Why release them,” Harvey said. “It doesn’t make sense. Who will accept liability for this? Will it come back on the county or the state?”

Commissioner Deb Russell believed that since the state licensed the wells, liability would rest with the state, but Harvey believed the state was dropping the issue in the county’s lap.

Commissioner Joe Allen said he was reluctant to release anything because there were more than 7,000 test holes, and the Nuclear Regulatory Commission wouldn’t release liability until all the wells are dealt with. The holes have to be dealt with, he said, and “There’s not a clear picture of what’s going on here.”

Commissioner Joe Falkenburg wondered about the people who were working the lands where the bore holes were drilled, did they know about this? Ortner said letters had been sent to all landowners affected by this, information confirmed by Holm.

Gardner Gray worried that if the state took over the liability for Powertech’s bore holes, this would ultimately shift the burden of a cleanup to state taxpayers.

Susan Henderson wondered about federal liability.

Henderson said she contacted the state and learned that more than 7,500 holes – including 450 test holes drilled across 10 years, covered by two surety bonds: one for \$213,000, another for \$21,000 – were involved. The \$21,000 bond had been returned to Powertech, she claimed, but due to Powertech’s financial troubles – the price of uranium had recently tanked again– she thought the company was looking for the release of the \$213,000 bond to make ends meet.

Henderson also claimed that U.S. Environmental Protection Agency (EPA) was looking at making Dewey Burdock part of a Superfund clean-up site, and that the state didn’t want to deal with the “real issue,” how 7,500-plus holes getting filled with water each time it rained were leaching uranium into the Cheyenne River, hence into Angostura Reservoir.

“This will be a disaster for the county,” she said. “I would caution you. Dealing with this will cost hundreds of millions of dollars, it could break the county.”

Henderson said the federal Nuclear Regulatory Commission (NRC) should be the arbiter of releasing liability on the holes. Ortner also wondered how a state agency could say the company was free and clear of all liability. But he disagreed with Henderson about the other bore holes. His focus was only those in the letter, and that there was no notice of releasing the \$213,000 bond in the letter.

Ortner said the county has remained “neutral” -- neither for or against it – on this issue and it was an NRC, EPA and state issue.

Falkenburg again asked for the commission to check into more information about this and clarify what was being asked.

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